CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	Jake Oil Buried Flow Line
Proposed Implementation Date:	December 2013
Proponent:	Jake Oil, LLC
Location:	SE¼ of Section 34, Township 9 North, Range 24 East
County:	Musselshell County
Trust:	Common Schools

I. TYPE AND PURPOSE OF ACTION

The Proponent, Jake Oil LLC, has requested permission to install a new buried flow line from State well #44-34 approximately 100' to the northeast of the well to connect to an existing buried flow line. The well is currently producing and Jake Oil holds state Oil & Gas Lease 31999-96B which allows access to the First Cat Creek formation. Vecta Oil & Gas holds another Oil & Gas lease for all other formations on this portion of Trust land. This well has been inactive since 2009 and is located in the Lake Mason Field. According to information from the Montana Board of Oil and Gas webmapper, the well was first installed in 1996 and has had periods of production and inactivity throughout its life. Since Jake Oil, LLC holds the oil and gas lease, they can install the new flow line under the authority of that lease and no license from the DNRC Trust land is required.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

Provide a brief chronology of the scoping and ongoing involvement for this project.

No formal public scoping was performed by the Southern Land Office (SLO) for this proposed project.

The route for the underground flow line was inspected on 27 November 2013 by Gary Brandenburg, Land Use Specialist and Jeff Bollman, Area Planner.

2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

The flow line from the State well #44-34 was approved by the Montana Board of Oil and Gas Commission in September 2013.

3. ALTERNATIVES CONSIDERED:

Proposed Alternative: Approve the request by Jake Oil, LLC to install a new underground flow line from State well #44-34 to connect into an existing flow line on State Trust land described as the SE¼ of Section 34-T9N-R24E in Musselshell County.

No Action Alternative: Deny the request by Jake Oil, LLC to install a new underground flow line from the existing oil well on state Trust land.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.

The soils in the area generally consist of clay loams, which can have some limitations in shallow excavations but no significant constraints, especially considering that similar flow lines were previously installed on the Trust land in similar soil types. The proposed flow line trench will be excavated and a 3" poly or fiberglass pipeline will be placed in the trench and then it will be re-graded to match the existing grades and reseeded. No significant adverse impacts are anticipated by implementing the proposed alternative.

5. WATER QUALITY, QUANTITY AND DISTRIBUTION:

Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.

There are no water features near the proposed flow line route. No significant adverse impacts to water quality, quantity and distribution are anticipated.

6. AIR QUALITY:

What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.

There would be some short-term airborne particulates emitted from the equipment used to install the underground flow line. Due to the relative remoteness of the proposed project area, short duration of the installation process and distance to any residences, no significant adverse impacts are anticipated.

7. VEGETATION COVER, QUANTITY AND QUALITY:

What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.

The installation of the underground flow line would disturb the existing vegetative cover along the +/-100' route and the oil and gas lessee would be responsible for re-grading and reseeding the disturbed area. No significant adverse impacts to vegetation cover, quantity or quality are expected by implementing the proposed alternative.

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:

Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.

A variety of big game (mule deer and antelope), small mammals, raptors, songbirds and grouse potentially use this area. Due to the nature of the project, an underground flow line, no significant adverse impacts to terrestrial, avian and aquatic life and habitats are expected to occur as a result of implementing the proposed alternative.

9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:

Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.

A proposed project area search of the Montana Natural Heritage Program database identified three vertebrate animals that are listed as a species of concern or threatened species: Greater sage-grouse, Mountain Plover and Black-tailed Prairie Dog.

Greater sage-grouse have been observed in the vicinity of the proposed project area, a lek was identified approximately 1.25 miles northeast of the Trust land. The installation of an underground flow line would have limited impact due to the short duration of its installation. No significant adverse impacts are expected by implementing the proposed action.

Mountain Plover is listed as a sensitive species and has been observed in the general area of the Trust land, specifically to the northeast near Lake Mason. The site may contain suitable habitat for the Mountain Plover, however it is likely that they have left the area for their wintering areas further west and south in the U.S. Due to the proposed project activities of installing a new underground flow line, no significant adverse impacts are expected.

Black-tailed Prairie Dog is listed as a species of concern and towns have been identified approximately ¼-mile to the northwest south and 2.5 miles northeast of the project site. Since the proposed project area does not contain an active town, no significant impacts to the black-tailed prairie dog are expected.

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

Identify and determine effects to historical, archaeological or paleontological resources.

SLO staff visited the site on 27 November 2013 and conducted a visual survey of the project area and no cultural features were noted within the proposed project area. No significant adverse impacts to historical and archaeological sites are expected by implementing the proposed alternative.

11. AESTHETICS:

Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.

The proposed project would install an underground flow line that would connect an existing well with an existing flow line the runs through the Trust land. Once the new line is installed and the site rehabbed, there would be no evidence on the surface of the project. The proposed project area is located in a relatively remote area and is not visible from any populated areas and there are no residences nearby. No significant adverse impacts to aesthetics are expected by implementing the proposed alternative.

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:

Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.

No significant impacts to environmental resources of land, water, air or energy are expected as a result of implementing the proposed alternative.

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:

List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.

There are no other known state or federal environmental reviews taking place in the subject area.

IV. IMPACTS ON THE HUMAN POPULATION

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

14. HUMAN HEALTH AND SAFETY:
Identify any health and safety risks posed by the project.

No significant adverse impacts to human health and safety are expected to occur as a result of implementing the proposed alternative.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:
Identify how the project would add to or alter these activities.

No significant adverse impacts to industrial, commercial and agricultural activities and production are expected to occur as a result of implementing the proposed alternative.

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:
Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.

The proposed action is not expected to have a significant impact on the quantity and distribution of employment.

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:
Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.

The proposed action and the nature of the activity is not expected to have a significant positive or negative impact to the local or state tax base.

18. DEMAND FOR GOVERNMENT SERVICES:
Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services

The implementation of the proposed alternative is not expected to generate any additional demands on services provided by Musselshell County.

19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:
List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.

Implementation of the proposed alternative will not conflict with any locally adopted plans.

20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:
Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.

The subject parcel does have legal public access via Oilfield Road, however due to the existing oil and gas activity on the subject tract and surrounding lands, the recreational value is not very high. The proposal to install a new underground flow line would only impact recreational use of the parcel during its installation. Once the flow line is installed, there would not be any significant impact on the recreational activity opportunities on the parcel.

21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:
Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing.

No significant adverse impacts to density and distribution of population and housing are expected to occur as a result of implementing the proposed alternative.

22. SOCIAL STRUCTURES AND MORES:
Identify potential disruption of native or traditional lifestyles or communities.

There are no native, unique or traditional lifestyles or communities in the vicinity that would be impacted by the proposed alternative.

23. CULTURAL UNIQUENESS AND DIVERSITY:
How would the action affect any unique quality of the area?

The proposed alternative would not directly impact cultural uniqueness or diversity.

24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:
Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.

The proposed alternative to allow the installation of a new flow line would provide royalty income to the Common Schools Trust based on the production from State well #44-34.

EA Checklist Prepared By:	**Name:**	Jeff Bollman	**Date:**	2 December 2013
	Title:	Southern Land Office Area Planner		

V. FINDING

25. ALTERNATIVE SELECTED:

After reviewing the Environmental Assessment, the proposed alternative has been selected and it is recommended that a new flow line be allowed to be installed to connect State well #44-34 with an existing flow line that runs through the Trust land, approximately 100' to the northeast. The proposed alternative can be implemented in a manner that is consistent with the long-term sustainable natural resource management of the area while also generating revenue for the Common Schools Trust.

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

The potential for significant impacts from the proposed action is minimal based on the type of action proposed and relatively short duration of the construction/installation. All identified potential impacts will be avoided or minimized and no significant impacts are expected to occur as a result of implementing the proposed alternative.

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

[ ]	EIS	[ ]	More Detailed EA	[X]	No Further Analysis

EA Checklist Approved By:	**Name:**	Matthew Wolcott		
	Title:	Southern Land Office Area Manager		
Signature:	/s/Matthew Wolcott		**Date**:	December 3, 2013